

**Assembly Bill No. 3041**

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Passed the Assembly August 28, 2006

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*Chief Clerk of the Assembly*

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Passed the Senate August 23, 2006

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2006, at \_\_\_\_\_ o'clock \_\_\_\_M.

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*Private Secretary of the Governor*

## CHAPTER \_\_\_\_\_

An act to amend Section 22844 of the Government Code, relating to public employees' health benefits.

## LEGISLATIVE COUNSEL'S DIGEST

AB 3041, Pavley. Public employees' health benefits: prescription drug plans.

The Public Employees' Medical and Hospital Care Act requires the Board of Administration of the Public Employees' Retirement System to approve health benefit plans for certain public employees and annuitants, and authorizes the board to contract with carriers offering health benefit plans. The act prohibits an employee, annuitant, or family member enrolled in a prescription drug plan under Part D of Medicare from enrolling in a board-approved health benefit plan, unless enrolled in an approved Medicare Advantage health benefit plan.

This bill would instead exempt from that prohibition an employee, annuitant, or family member enrolled in a board-approved or offered health benefit plan that provides a prescription drug plan or qualified prescription drug coverage under Part D of Medicare as part of its benefit design.

*The people of the State of California do enact as follows:*

SECTION 1. Section 22844 of the Government Code is amended to read:

22844. (a) Employees, annuitants, and family members who become eligible to enroll on or after January 1, 1985, in Part A and Part B of Medicare may not be enrolled in a basic health benefit plan. If the employee, annuitant, or family member is enrolled in Part A and Part B of Medicare, he or she may enroll in a Medicare health benefit plan.

(b) Employees, annuitants, and family members enrolled in a prescription drug plan under Part D of Medicare may not be enrolled in a board-approved health benefit plan. This subdivision does not apply to an individual enrolled in a board-approved or offered health benefit plan that provides a

prescription drug plan or qualified prescription drug coverage under Part D of Medicare as part of its benefit design.

(c) This section does not apply to employees and family members that are specifically excluded from enrollment in a Medicare health benefit plan by federal law or regulation.

Approved \_\_\_\_\_, 2006

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*Governor*